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Report of the Meeting of Governmental Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions

Held at United Nations Headquarters, New York, from 24 to 26 August 1999

EXECUTIVE SUMMARY

In accordance with General Assembly resolution 52/183, the fourth meeting of governmental experts from landlocked and transit developing countries and representatives of donor countries and financial and development institutions was held under the auspices of UNCTAD from 24 to 26 August 1999 at the United Nations Headquarters in New York. The meeting addressed problems related to the physical infrastructure and non-physical barriers in lowering transit transport costs and made recommendations on follow-up actions by landlocked and transit developing countries and the international community. Participants in the meeting acknowledged that by bringing together experts from landlocked and transit developing countries in different regions and subregions, as well as representatives from the donor community, the meeting has contributed critically to an in-depth analysis of the transit transport issues from the national and regional perspective and exchange of lessons on best practices. It also underscored the need for concrete actions by all countries concerned and greater donor support. The meeting recommended the 54th session of the General Assembly to consider convening, in the year 2001, the fifth meeting of governmental experts from landlocked and transit developing countries and representatives of donor countries and financial and development institutions. In this context, proposals to convene a Ministerial meeting on transit transport issues to give appropriate emphasis to the problems of landlocked and transit developing countries were made during the meeting. The meeting called upon the UNCTAD secretariat to facilitate the implementations of the conclusions and recommendations of the meeting and the Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing Countries and the Donor Community. It also called for taking into account adequately the concerns of landlocked and transit developing countries in the preparations of UNCTAD X, the Third United Nations Conference on the Least Developed Countries and the high-level intergovernmental event on financing for development.

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INTRODUCTION

1. The Meeting of Governmental Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions was held at United Nations Headquarters, New York, from 24 to 26 August 1999, pursuant to paragraph 11 of General Assembly resolution 52/183. The Meeting was preceded on 23 August 1999 by regional-specific consultations. The mandate of the Meeting was to review the progress in the development of transit systems, including sectoral aspects as well as transit transportation costs, with a view to exploring the possibility of formulating specific action-oriented measures.

2. The Meeting had before it for its consideration a report prepared by the United Nations Conference on Trade and Development (UNCTAD) secretariat: "Improvement of transit transport system in landlocked and transit developing countries: issues for consideration" (TD/B/LDC/AC.1/13); as well as summaries of responses from Governments and international organizations: policies and actions taken by individual countries, and by international organizations to improve transit transport systems (TD/B/LDC/AC.1/14).

3. One hundred and twenty-two experts and representatives from 52 countries, including nine donor countries, three United Nations organizations, two Intergovernmental organizations, three non-governmental organizations, one specialized agency and one regional organization participated in the Meeting.

Opening statements

4. Opening the Meeting on behalf of the Secretary-General of UNCTAD, the Special Coordinator for Least Developed, Landlocked and Island Developing Countries welcomed the experts and representatives to the Meeting.

5. The Chairman of the Meeting, H.E. Mr. Yukio Satoh, Ambassador Extraordinary and Plenipotentiary and Permanent Representative of Japan to the United Nations stated that the very high cost of international trade facing landlocked developing countries posed serious constraints on their economic development. Inadequate infrastructure and other physical constraints remained major problems. Non-physical barriers, notably inefficient and limited choice of transport organizations, poor utilization of assets, government controls and cumbersome transit procedures, contributed to high unit costs of transport and insurance and long transit times. He noted that the specific needs and problems of landlocked developing countries varied from one region to another.

While in some regions, the improvement of physical infrastructure was critical, in others, there was an urgent need for the establishment of regional transit transport framework, while still in others the issue is how to operationalize existing agreed regional agreements or arrangements.

6. In emphasizing the importance of transit transport cooperation between landlocked and transit neighbouring countries, he called upon development partners, in a spirit of partnership, to provide greater support to these landlocked and transit developing countries which had taken courageous actions to adopt and implement far-reaching reforms. He hoped that the Meeting would promote greater awareness by the international community of the needs and requirements of the landlocked developing countries, thrusting the issues of landlocked countries high on the agenda for international cooperation.

7. He said that the recommendations of the Meeting would be forwarded to the forthcoming Trade and Development Board and the General Assembly, and would constitute a valuable input to the tenth United Nations Conference on Trade and Development (UNCTAD X). He noted that the very good response to the invitation of the Secretary-General of UNCTAD to attend the Meeting clearly demonstrated the importance with which many countries attached to the transit problems and the need to find effective solutions.

I. REVIEW OF PROGRESS IN THE DEVELOPMENT OF TRANSIT SYSTEMS IN LANDLOCKED AND TRANSIT DEVELOPING COUNTRIES

8. In her statement made on behalf of the Secretary-General of UNCTAD, the Special Coordinator for the Least Developed, Landlocked and Island Developing Countries introduced the agenda item and the documents prepared by the UNCTAD secretariat. She expressed the UNCTAD secretariat's gratitude to the Government of Japan for its generous financial support to participants from landlocked countries. She stated that the high costs of transit transport seriously undermined the external trade competitiveness of the 29 landlocked developing countries, of which 17 were also least developed and risked further marginalization.

9. She stated that specific action related to the particular needs and problems of landlocked developing countries required action on two fronts: improvement of physical infrastructure and removal of non-physical obstacles, including better utilization of assets and improved managerial, procedural, regulatory and institutional systems.

10. Referring to the UNCTAD secretariat document TD/B/LDC/AC.1/13, she said that the analysis of structure and magnitude of transit costs led to certain important conclusions. The high element of land transit costs compared with ocean freight charges implied that any attempt to increase the competitiveness of the exports of landlocked developing countries had to aim primarily at influencing the level and structure of costs incurred in inland transit transport. That conclusion placed a great deal of responsibility on the landlocked developing countries and their transit neighbours. She hoped that donor countries and financial and development institutions would lend support to the landlocked and transit developing countries to support their efforts to broaden and deepen their transit transport cooperation. In this context, she drew attention to the various conclusions and recommendations relating to reform of transit procedures contained in document TD/B/LDC/AC.1/13.

11. The Chairman of the group of landlocked developing countries (Lao People's Democratic Republic) conveyed his group's gratitude to the Government of Japan for helping to finance the participation of a number of representatives of landlocked developing countries to this Meeting. He also expressed appreciation to the UNCTAD secretariat for the excellent documentation prepared for the Meeting.

12. He stated that the basic problem of landlocked developing countries, long recognized by the General Assembly of the United Nations, was the lack of territorial access to the sea, aggravated by remoteness and isolation from world markets and by the prohibitive transport costs associated with an inadequate infrastructure, as well as trade imbalances, inefficient transport systems, poor utilization of assets and weak managerial, procedural, regulatory and institutional systems. He said that while the conclusion of the Uruguay Round of Multilateral Trade Negotiations had promised to open enormous new trade opportunities in goods and services, landlocked developing countries were not able to benefit from trade liberalization owing to the high cost of transit transport. He said that, in addition to the development of transport infrastructure, which was an important prerequisite of efficient transit transport systems and which needed to be supported, it was equally important to address non-physical factors, which substantially inflate the transport costs. Trade facilitation measures should be further introduced to simplify the requirements, harmonize the procedures and the documentation and standardize commercial practices. Landlocked and transit developing countries should cooperate more closely in the area of trade facilitation with the technical assistance of developed partners and relevant international organizations.

13. He believed that the conclusions and recommendations outlined in the UNCTAD secretariat report provided a useful basis for the Meeting's consideration and formulation of action-oriented measures designed to improve transit systems. His Group proposed convening a meeting on transit

transport cooperation at the Ministerial level. Since landlocked developing countries were among the poorest countries in their particular geographical regions, and in addition to being landlocked most of them suffered from all the extreme handicaps of the least developed countries, it was therefore important that financial assistance be extended to them on the most concessional terms possible and that the flow of financial and technical assistance be prioritized and increased substantially .

14. The Director, Division of Services Infrastructure for Development and Trade Efficiency, UNCTAD, said that new information technologies could help to solve major transit problems. UNCTAD had embarked on the development of customs and transit transport information systems. The Automated System for Customs Data (ASYCUDA) was today applied in 70 countries worldwide, while the Advance Cargo Information System (ACIS) had been installed in 14 countries. A complementary system to deal specifically with transit issues was also being developed.

15. The ASYCUDA programme aimed at customs reform and modernization. It speeded up the customs clearance process through the computerization and simplification of procedures, thus minimizing administrative costs to the business community and the national economy. ACIS was designed to improve transport efficiency by tracking equipment and cargo on the various modes of transport (rail, road, lake and river) and at the interfaces (ports, inland clearance depots) and by providing information in advance of cargo arrival. ACIS provided both public and private transport operators and ancillaries with reliable and real-time data on transport operations, such as the whereabouts of goods and transport equipment, and thus improved day-to-day management and decision-making. It also produced regular performance indicators which enable management to remedy deficiencies and to make full use of the existing infrastructure and equipment capacity. UNCTAD also supported landlocked developing countries in their efforts to strengthen their transit cooperation by helping them to elaborate, negotiate or implement bilateral or regional agreements and arrangements. He expressed the hope that the Meeting would adopt practical conclusions and recommendations.

16. The Chairman invited the coordinators of the regional-specific consultations to report to the Meeting on the outcome of their deliberations. The reports of those regional specific consultations are contained in annex I to the present report.

17. The representative of Zambia pointed out that the lack of territorial access to the sea, coupled with remoteness with respect to and isolation from world markets, did impact negatively on the cost of transportation of Zambia's imports and exports. Zambia was a landlocked country covering an area of 753,000 square kilometres and shared borders with eight countries. With the

assistance of the World Bank, the Government of Zambia was implementing the Road Maintenance Initiative Programme (RMI). It raised about US$ 10 million per year from a fuel levy for road maintenance, whereas the actual amount required was estimated at US$ 1 billion.

18. Zambia recognized that cooperation between landlocked and transit developing countries was the key to the solution of their transit transport problems, while assistance from the international community would continue to be necessary in the rehabilitation of road and railway networks and port facilities. He emphasized the importance of the harmonization of customs procedures, and computerization of information systems.

19. The representative of Kazakhstan emphasized the importance of efficient transit transport systems in his country's economic development. He said that improvement of the existing transit transport environment, development of alternative transit routes and harmonization of the transit and transport legal framework were three basic requirements for a healthy transit transport for countries in Central Asia. Kazakhstan had signed 128 bilateral and multilateral agreements in the area of transit transport and was a member of 15 international organizations of transport. His Government accorded priority to the establishment of an efficient transit transport network, upgrading the existing transport infrastructure and improving the management of the transport and communication systems. The implementation of those tasks was estimated to cost about US$ 6 billion.

20. He expressed hope that the strategic geopolitical location, the high level of industrial development and availability of a skilled labour force would facilitate the achievement of the above tasks. He mentioned that his Government had already received financial assistance of US$ 1.3 billion, from the Asian Development Bank, the World Bank, the European Bank for Development and Reconstruction and Japan, for the development of the transport sector since 1997. He emphasized the important role of transcontinental and subregional transport corridors in providing effective integration of landlocked developing countries in international trade.

21. The representative of China said that his country had always attached great importance to transit transport issues. China had done its utmost to provide neighbouring landlocked countries with high-quality transport services to support their economic development and trade. It had made efforts to streamline the transit transport procedures to further facilitate the smooth movement of goods in transit. In that respect, a "Notice on the Publication of Fee Schedule for Inter-State Container Transit Transport" and "Regulations of the Customs Office of the People's Republic of China Concerning Goods in Transit" had been adopted recently.

22. The establishment of a coordinating group consisting of representatives from relevant ministries and departments was an important step in further improving coordination and cooperation between different agencies. China had adopted measures designed to reduce transit transport delays in main ports. Ports have lowered the fees that they charge on transit transport. Due to those efforts, the transit volume went up 47 times between 1996 and 1997. China faced increasing competition from its neighbouring States, which decreased the profit margin for transit transport services. Lack of efficient tracking and information systems and lack of intergovernmental agreements on matters such as pricing, security and services were major constraints.

23. The representative of the Lao People's Democratic Republic said that his country had faced various types of difficulty in transport of goods in transit. Lack of liberalization and cumbersome procedures led to physical delay and documentary complications. The resulting very high cost in international trade constituted serious constraints on the development of the national economy. He emphasized the importance of regional cooperation in developing transit transport systems. In that respect, he noted the importance of the bridge between Vientiane, the Lao People's Democratic Republic and Nongkhai, Thailand, which had been built with the financial assistance of Australia. The second Mekong bridge was now under construction in Champasack province, financed by grant aid from Japan. The Lao and Thai Governments decided to build a third Mekong bridge with financing from an Overseas Economic Cooperation Fund (OECF) loan. The project on an intraregional east-west corridor, comprised of northern, central and southern corridors to Viet Nam ports, was currently being studied with financing from the Asian Development Bank. The road connecting the southern part of the Lao People's Democratic Republic to Khinak, Cambodia border, was in the process of rehabilitation and was expected to be completed in the middle of the year 2000.

24. He said that the Lao Government attached importance to developing a legal framework to govern transit transport operations. In that respect, the bilateral Agreement on Road Transport between the Lao People's Democratic Republic and Viet Nam and between the Lao People's Democratic Republic and China (as well as Mekong River Transport) had been signed. The Agreement on Road Transport between the Governments of the Lao People's Democratic Republic and Thailand would provide greater commercialization and liberalization of transport operations and services and encourage competition among transport service providers. International support measures had played a critical role in improving the transit transport system. The donor community should continue to provide support to programmes designed to improve transit transport systems.

25. The representative of Bhutan commended the UNCTAD secretariat highly for the excellent work that it had done and was doing, on behalf of the landlocked developing countries. He said that it was long overdue to have a Plan of Action for the landlocked developing countries which could

be put into effect for concrete results, and which should take into account the mutual interests of landlocked as well as transit countries. He fully supported the proposal to have the next expert group meeting culminate at the ministerial level. Such an approach would give a political and higher-level impetus to the issues relating to landlocked developing countries.

26. He noted that in the globalizing world economy many of the landlocked developing countries might be further marginalized. He expressed appreciation to all donors, transit countries and international organizations for their support in ameliorating the problems of landlocked countries. He invited other countries in a position to do so and international financial organizations to provide support. Despite the cooperation on the part of neighbouring countries, Bhutan still had to face high transportation costs, not only during the transit phase but also internally.

27. Bhutan had an excellent free trade and transit agreement with India. India had taken necessary measures to facilitate Bhutan's transit trade and the two Governments had, over the years, simplified the transit documentation and procedures to the extent possible and feasible in the circumstances. The Government of Bangladesh had also given Bhutan the facilities needed and those were enshrined in a bilateral agreement.

28. The representative of Mongolia said that no real progress had been made in the transit transport situation of landlocked developing countries since the time of the last Meeting in 1997. He called for effective implementation of the provisions of the Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing Countries and the Donor Community. While the primary responsibility for alleviating the existing situation lay with the landlocked developing countries themselves, those countries attached great importance to cooperation with their transit neighbours and the donor community. The landlocked and transit developing countries had to exert special efforts to remove all non-physical barriers, eliminate unjustified taxes and prohibitively high fees for transit freights, liberalize transit transport services, simplify and expedite customs procedures and ensure the safety of traffic.

29. He noted that there was still no subregional intergovernmental arrangement or agreement on transit trade in North-East Asia. The First Subregional Consultative Meeting of Landlocked and Transit Countries on transit transport cooperation held in 1997 and the adoption by the meeting of the Ulaanbaatar Memorandum of Understanding was a promising first step.

30. He called upon UNCTAD to continue to play an important role in favour of landlocked developing countries since it was the only organization in the entire United Nations system that dealt with the questions of those countries. He noted that the Office of the Special Coordinator was

underfinanced and understaffed. The sole unit that was dealing with the problems of the 29 landlocked developing countries did not have even a single post responsible for those issues. In the opinion of his delegation, the questions of adequate financing and staffing of the Office of the Special Coordinator should be seriously addressed at the forthcoming session of the General Assembly. He also believed that the specific needs of landlocked developing countries should be addressed by the World Trade Organization.

31. The representative of Japan said that, as international trade continued to increase and competition intensified in a rapidly globalizing world economy, countries without direct access to the sea were suffering from high transit transport costs. Those costs were high for several reasons, but one of the most important was inadequate and badly maintained infrastructure. Japan had provided grants and loans necessary for construction of bridges and roads, as well as for modernization of airports and railways, in both landlocked and transit developing countries in Africa, Asia, and Latin America. In 1997, it had allocated roughly US$ 3 billion of its official development assistance (ODA) to the field of transportation, including assistance to landlocked and transit developing countries. A continued effort by landlocked and neighbouring countries to improve their infrastructure was imperative if a stable transit transport system was to be created, which would require strong cooperation from development partners.

32. The commitment and ownership of landlocked and transit developing countries were of the utmost importance in dealing with soft-infrastructure issues relating to transit transport. At the same time, a partnership between landlocked countries and neighbouring transit countries was indispensable, as issues of transit transport could not be solved by any one country on its own. Furthermore, the international community should be encouraged to seek a thorough and comprehensive solution to the issues of transit transport through grants, loans, technical assistance and private sector participation.

33. He emphasized that technical cooperation among developing countries (TCDC) was an especially useful means of improving soft infrastructure at the subregional, regional and interregional levels. Problems and solutions were region specific, but subregions and regions had much to learn from each other, and this they could do by engaging in dialogue, through the sharing of experiences and through TCDC. In order to promote TCDC, Japan had earmarked the sum of US$ 2 million in both 1996 and 1997, and US$ 4 million in 1998 for the TCDC Trust Fund established in accordance with the General Assembly resolution in 1995. He urged the United Nations Development Programme (UNDP), UNCTAD, and other bilateral and multilateral agencies to promote TCDC in order to facilitate transit transport in landlocked and transit developing countries.

34. The representative of the Economic Commission for Europe (ECE) stated that the Commission had developed a unique set of international legal instruments governing international transport of goods and passages of vehicles. The ECE was promoting accession to and implementation of this set of legal instruments by all countries, including landlocked developing countries. He invited those countries to consider acceding to and implementing those international conventions. He emphasized the critical role of transport for increasing the competitiveness of landlocked developing countries in the globalizing world economy. In that respect, he said that landlocked developing countries should establish integrated, flexible, fast and cost-effective transport systems.

35. He said that the landlocked developing countries should prioritize their activities. The redefinition of the role of the State in the transport sector, the planning of infrastructure development and the establishment of regulatory frameworks could be included among priority areas of action. The landlocked developing countries should adopt international standards such as rules of the road, road signs and signals, weights and documentation; simplify and harmonize border crossing procedures; and make better use of existing infrastructure. The legal and financial framework to encourage private sector partnerships should be evolved.

36. The representative of Rwanda said that his Government urgently needed greater international assistance to repair and rehabilitate the physical infrastructure and rebuild human resources. Rwanda's transit routes through Mombasa and Dar es Salaam required international support to eliminate both physical and non-physical barriers. He said that the axle load limit imposed by Kenya and the United Republic of Tanzania led to the sudden increase of transit transport costs for goods from and to his country. He emphasized the importance of the establishment of dry ports and infrastructure linkages with neighbouring countries.

37. Rwanda sought international assistance in obtaining new trains and upgrading transit transport handling capacities. He also called on the donor community to provide financial assistance to support his country's efforts to diversify Rwanda's alternative transit routes.

38. The representative of Thailand said that his country had been cooperating with the Lao People's Democratic Republic in many areas of common interest within various frameworks, with a view to promoting mutual social and economic development of the two countries. The Agreement between Thailand and the Lao People's Democratic Republic on Road Transportation was concluded in 1999. That Agreement was a milestone in respect of their cooperation, laying the ground rules on transportation not only of goods in transit, but also passengers across the Mekong River. The new Thai-Lao agreement also put an end to the past monopolistic arrangement for "transport

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operators" which were solely in the hands of the Express Transportation Organization of Thailand (ETO). Now, the goods owners in the Lao People's Democratic Republic are given the freedom of choice in regard to choosing their transport operators, be they Thai or Lao companies or even companies of a third country.

39. In addition, the opening of the Thai-Lao Friendship Bridge three years ago would also contribute greatly to land transport cooperation for the benefit of both countries and the subregion. Thailand had also been pursuing policy dialogue with other neighbouring countries in developing a legal framework for transit transport operations. He said that, at the regional level, Thailand had also initiated, since 1996, the establishment of a legal framework on facilitation of transit and inter-State goods in the South-East Asian region. In 1998, the agreement of the Association of South-East Asian Nations (ASEAN) on the facilitation of transit goods had been concluded and adopted at the sixth ASEAN summit held in Hanoi, Viet Nam. ASEAN was now also in the process of drafting an agreement on the facilitation of inter-State goods. This would allow ASEAN to make headway in the implementation of the ASEAN Free Trade Area (AFTA). The agreement, when completed, would ultimately facilitate international road transport among ASEAN countries. It would also help concretize the transit system of the region in a more effective manner. The facilitation of transportation of transit and inter-State goods in the region would significantly lessen both the time needed for transportation and its cost, thus contributing to the integration of economies in the region.

40. The representative of Nepal emphasized that various legal and institutional policy measures adopted in the areas of trade, industry, foreign investment and technology transfer since the early 1990s had resulted in some remarkable improvements in his country's trade-related documentation and procedures. The growing bilateral understanding and cooperation, in recent years, between Nepal and India had facilitated Nepal's transit transport through India. In December 1996, a new system of one-time-lock (OTL) or bottle seal checking of containerized traffic-in-transit was established. A new transit route of Kakarvita-Phulbari-Banblaband had come into operation recently. India had supported Nepal in the quest for entry into a new arena of multimodal transport by agreeing to extend the broad gauge railway from its border town of Raxaul to the Nepalese Dry Port at Birgunj. Nepal and India had also agreed to adopt a simplified transit procedure for the movement of containerized traffic-in-transit to and from Internal Container Depots (ICDs) in Nepal. UNCTAD was executing trade and transport facilitation projects in Nepal. However, despite those positive developments, a lot still needed to be done.

41. He emphasized the importance of further simplification, standardization and harmonization of documentation and procedures in providing an efficient transit trade system. He called for making operational the special fund for landlocked countries with the support of the international community.

42. The representative of Viet Nam said that his country was the first to sign a transit agreement with the Lao People's Democratic Republic in 1991. That agreement had been assessed as the most liberal agreement in the region at that time that allowed vehicles from one country to enter the other. The current bilateral agreement on road transport was concluded in February 1996. The two countries were taking steps to simplify transit and cross-border procedures and inspections, and documentation. With technical assistance from the Asian Development Bank, Viet Nam was engaged in the drafting of the Agreement for Facilitation of Cross-Border Transport of Goods and People between the Lao People's Democratic Republic, Thailand and Viet Nam.

43. Viet Nam had also made various efforts to build new transport infrastructure and to upgrade the seaports in central Viet Nam so as to provide the Lao People's Democratic Republic easy access to the sea. The two countries cooperated in formulating and concluding regulations on using seaports, transit ways, fees and taxes on stocking, loading and shipping.

44. At the VI ASEAN Summit in Hanoi in December 1998, Viet Nam presented an initiative to develop the West-East Corridor of the Mekong subregion. That initiative was adopted by ASEAN leaders and included in the Hanoi Plan of Action, 1998.

45. The representative of The former Yugoslav Republic of Macedonia said that the issue of the development of transit systems was of huge importance to the landlocked countries. The underdeveloped transit systems resulted in high transit costs and impeded access for the export/import of the goods, especially from the remote landlocked countries, and led to further marginalization of the economies of landlocked developed countries in the multilateral trading system. In the case of The former Yugoslav Republic of Macedonia, as a landlocked country in south-east Europe, its access to foreign markets and international trade depended largely on its relations and transit systems with its neighbouring transit countries: Bulgaria to the east, Greece to the south, Albania to the west and Yugoslavia to the north. His Government was pursuing free trade agreements with all of these countries. Its transit systems with Bulgaria and Albania were comparatively worse, especially insofar as no railroad connections with those two countries had yet been built, and the road infrastructure was unsatisfactory. This was why his country attached great importance to the development of the international transportation Corridor East-West (roads, railroad, pipelines) which would cross the territory of The former Yugoslav Republic of Macedonia and would ultimately improve the transportation links between Asia Minor and the Caucasus and that part of South-East Europe. His country participated in the activities of the project group on transport infrastructure development and the project group on border crossing facilitation in the framework of the South-East European Cooperative Initiative (SECI) supported by the ECE.

46. The representative of Italy said that the meeting would help to increase the attention that Italy had already paid to issues concerning transportation and the facilitating of connections between landlocked and transit countries. Italy was one of the countries that had sought to help find solutions to those questions and had undertaken several projects in various African countries. Italy was particularly interested in considering the possibility of expanding its commitment in the future and was ready to undertake a multidisciplinary study of the issues concerning transit transport. While some aspects of transit transport were very technical, they could not always be blamed on geography. Indeed, there would often be political and environmental causes, as demonstrated by the disastrous consequences of El Niño not only in Latin America but also in various parts of Africa. Therefore, transportation technicians needed to be backed up by financial experts, customs agents and environmental experts. He emphasized the importance of liberalization of the exchange of ideas and products for the promotion of technological development, allowing for the achievement of a more harmonious growth of infrastructure transport and harmonized customs procedure.

47. The representative of Nigeria said that as a coastal State, Nigeria recognized its responsibilities towards its landlocked neighbouring countries, particularly the Niger and Chad. The present administration in Nigeria had embarked on result-oriented institutional reforms such as ports and customs documentation and procedures, and the enhancement of cargo security services. Those reform measures were aimed at facilitating easy clearance of goods at the ports, especially transit cargo.

48. Improved port facilities were being made available at the ports for Nigeria's neighbouring landlocked countries. Also, concessionary tariffs on port services had been granted to those landlocked countries. Efforts were being finalized to revamp the inland container depot at Kano and a new one was being proposed at the railhead in Maiduguri to facilitate the movement of transit cargo to the Niger and Chad. She stated that Nigeria had embarked on an extensive rehabilitation of its transit highways as well as its railways. She expressed gratitude to the donor countries and the development and financial institutions for the supportive role they had been playing in providing both financial and technical assistance towards the realization of the objectives to develop efficient transit transport systems and reduce high transport costs in the west and central African subregion. She appealed to them to continue to provide technical assistance and funding in the areas of road rehabilitation and construction of new routes, rehabilitation and revitalization of railway systems in Nigeria and technical know-how in the freight-forwarding business.

49. The representative of India said that her country attached the highest importance to the problems of trade and transit and that it brought to those issues a unique perspective and experience.

50. She added that her delegation had examined with interest the documentation prepared by the UNCTAD secretariat for the meeting. While she commended the quality of analysis, she would have wished for a greater cross-fertilization of ideas between the reports, particularly in identifying Proposals for Future Action. She questioned the omission of certain subregions such as South Asia from the document on issues for consideration (TD/B/LDC/AC.1/13). As the South Asian region exemplified, the transit neighbours of landlocked developing countries were often themselves developing countries. To find meaningful and viable solutions to the transport problems of landlocked developing countries, it was necessary to address the constraints and challenges of their transit developing neighbours in a holistic and integrated manner.

51. She drew attention to the huge costs of building roads and other infrastructure in difficult terrain, compounded by inclement weather conditions ranging from floods to landslides. The recommendation in paragraph 68 of the document on Issues for consideration, for road poll taxes, appeared to be facile as a viable long-term solution in such a context. Moreover, it would raise the already high transport costs, which, as two other UNCTAD reports had pointed out, were among the primary obstacles to the competitiveness of trade by landlocked developing countries. Similarly, far more intensive analysis of specific conditions in various subregions and regions, including an analysis of the constraints facing transit developing countries, was needed before endorsing intrusive and universal prescriptions.

52. Her delegation was disappointed that the document on issues for consideration provided few pragmatic and concrete recommendations on the role that international cooperation could play in building up physical infrastructure in the transport sector, and no concrete suggestion had been put forward on how to strengthen and improve international cooperation, particularly in improving financial resource availability for transport infrastructure development. She had noted with interest the proposal for the next Meeting of the Governmental Experts to culminate in a ministerial meeting. Meetings at ministerial level certainly had the profile necessary to impart much needed political momentum to important issues such as those of transit transport. However, to achieve meaningful results, it was necessary to undertake adequate preparatory work. Transit developing countries should also be consulted more intensively and their concerns, constraints and challenges they face, should be mainstreamed far more effectively than had been done so far.

53. The representative of Pakistan said that his Government attached great importance to developing its transit transport systems so as to provide transit facilities to its neighbouring landlocked developing countries. The development of infrastructure facilities required an enormous amount of investment. The transit developing countries were not in a position to undertake such

projects on their own. They needed greater international financial and economic assistance in developing their transit transport infrastructure.

54. The representative of the Islamic Republic of Iran stated that the best and most sustainable approach to the problems of landlocked and transit developing countries was to consider and address them as a "package" and in a "balanced" way. Most transit countries were themselves developing countries facing serious economic problems, including the lack of adequate infrastructure in the transport sector. The inadequate infrastructure in transit developing countries, as well as in landlocked countries, was one of the root causes of the problem which required the broadening of the base and scope of international assistance. He expressed gratitude to all donor countries that had recognized the depth of the problem and had demonstrated practical commitment to the development of landlocked and transit developing countries. He added that the proposal for having a ministerial meeting could be considered by his Government.

55. The representative of Togo said that his Government gave special attention to providing better transit transport services to its landlocked neighbouring countries - Burkina Faso, the Niger and Mali. At the same time, Togo faced difficulties caused by the heavy transit traffic. To resolve those difficulties, the Government of Togo prepared two projects to build bypass roads so as to speed up movement of goods in transit. He appealed to the donor countries and the international, financial and development institutions to give due consideration to the request of his Government to provide financial assistance to the implementation of these two bypass roads, which were expected to play a major role in speeding up the movement of goods in transit of landlocked States in the region.

56. The representative of Mali emphasized the importance of the meeting in mobilizing the attention of the international community with respect to the issue of transit transportation. Mali was also a least developed country which suffered from all the constraints characteristic of those countries. It had implemented the structural adjustment programmes which enabled it to provide a better environment for efficient transit transport operations. He further emphasized the importance of improving existing transit corridors and establishing new transit transport rates.

57. The representative of Bolivia stated that, despite all the improvements made in transit transport in the subregion, Bolivia continued to suffer from the high costs of transit transport and from other implications of being landlocked. He said that Bolivia cooperated with its neighbouring countries and had evolved a series of bilateral agreements to deal with trade, transport and border crossings. Those agreements allowed access for transit transport for Bolivia through the corridors of the contracting parties. However, their implementation was not fully satisfactory, as customs

border-crossing procedures were different, and overlapping border-crossing and administrative documents were still in use. He therefore emphasized the importance of harmonizing and simplifying customs border-crossing procedures and documents.

58. The representative of Afghanistan stated that his country had always given priority attention to the issue of landlocked developing countries and was actively promoting the interest of this group of countries. Afghanistan was also a transit country which would provide transit services to newly independent Central Asian republics, the Islamic Republic of Iran and Pakistan. He commended the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries for its activities in favour of landlocked developing countries. He shared the views expressed by other delegates regarding the strengthening of the work of the Office in regard to landlocked developing countries.

59. The representative of Cambodia said that his Government attached great importance to the matters related to landlocked and transit developing countries. It accorded high priority to rehabilitating and developing physical transport infrastructure. Cambodia was considering the international conventions on transit transport as well as the Convention on Trade of Landlocked States (New York, 1965) with a view to acceding to them in due course. He further noted that, at the bilateral and regional level, Cambodia had already signed a number of bilateral agreements such as that regarding the border crossings with neighbouring countries. It had been actively involved in the Great Mekong Cooperation programme and projects. Cambodia was also participating actively in multilateral efforts for enhancing the implementation of the Global Framework for Transit Transport Cooperation. He supported the proposal for convening a ministerial meeting on transit transport issues. He emphasized that the cooperation between landlocked and transit developing countries was the key to the solution of their common problems. He called on the donor community to provide greater assistance in developing transit transport systems in landlocked and transit developing countries.

60. The representative of the World Customs Organization (WCO) explained the crucial role of customs procedures in any international transaction, as their complexity and diversity affected world trade. One of the main objectives of WCO was to secure the highest degree of harmony and uniformity in customs processes. The revised Kyoto Convention was expected to be the blueprint for modern and efficient customs procedures for the twenty-first century. Distinguishing features of that revised convention were the more binding legal provisions and restricted systems of reservations, along with the management committee to keep the convention relevant and up to date. The revised transit procedures had been designed to cover all means of transport and to facilitate international movement of goods.

Closing statements

61. The Chairman of the Group of Landlocked Developing Countries (Lao People's Democratic Republic) stated that the spirit of cooperation that was shown by landlocked and transit developing countries and the donor community demonstrated the clear political will of all stakeholders to promote mutually beneficial cooperation in the area of development of transit transport cooperation.

62. He expressed appreciation to the Chairman, Vice-Chairmen and Rapporteur of the meeting for their commitment, hard work and able leadership. He noted that the conclusions and recommendations adopted by the meeting constituted a solid framework for further improving the transit transport systems. He particularly emphasized the unanimous recommendation made by the experts and representatives to the General Assembly to consider convening in the year 2001, the fifth Meeting of Governmental Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions, which would consider the proposal to convene a Ministerial Meeting on transit transport issues. He thanked the UNCTAD secretariat for its excellent preparation for the meeting and the effective assistance provided to participants.

63. The representative of China commended the UNCTAD secretariat for the documentation it had prepared for the meeting. He also thanked the Chairman, two Vice-Chairmen and Rapporteur for their able leadership which brought the meeting to the fruitful conclusion.

64. The Chairman commended the excellent work done by the experts and representatives. He expressed appreciation to all participants for the cooperation that they had extended to him and other members of the Bureau. He also commended the members of the UNCTAD secretariat for their support. He emphasized the importance of timely implementation of the recommendations adopted by the Meeting in reducing high transit transport costs facing landlocked developing countries. He expressed the willingness of his Government to continue to provide assistance to developing transit transport systems in landlocked and transit developing countries.

CHAPTER II
AGREED CONCLUSIONS AND RECOMMENDATIONS

A. The landlocked and transit developing countries and the global market

65. The trade and development prospects of landlocked developing countries, over half of which are also least developed, depend, *inter alia*, on efforts to reduce the present high costs of transit transport and to promote fast and reliable services to world markets. While there has been some progress in the recent past for most landlocked countries and their transit neighbours, problems in transit systems persist. Transit transport costs in landlocked and transit developing countries are high for a variety of reasons including:

(a) Inadequate and/or poorly maintained physical infrastructure;

(b) A broad range of non-physical obstacles such as poor utilization of assets, weak and inefficient transport management, cumbersome and incompatible procedures, outmoded financial, regulatory and institutional systems, trade imbalances and inadequate security often accompanied by very high user charges;

(c) Difficulties and constraints faced by landlocked and transit developing countries in developing and maintaining the physical transport infrastructure and in ameliorating non-physical barriers, which require levels of investment that are very large and often beyond their financial capabilities.

66. Most transit countries are themselves either developing countries or least developed countries facing serious economic problems including lack of adequate infrastructure. The above factors offset or limit the potential gains from liberalized market access and impede landlocked developing countries' effective participation in international trade.

67. Yet, as world trade, investment and financial flows continue to expand at a remarkable pace, so has the need for establishing integrated, flexible, fast, cost-effective and environmentally sound national and international transport, and communications become more pronounced. In some cases, better services in terms of speed, reliability and flexibility can be used to increase the market share of successful transport operations or justify price rises, thereby generating additional revenue while lowering the real cost of transport services to the public. In other cases, liberalization of the transport services market can improve the variety and quality of transport services while lowering actual freight charges and thus greatly lowering the real cost to the public. At the same time, in many

regions the role of the State is crucial for the development and maintenance of transport infrastructure. The costs of land transit transport is influenced by a variety of factors including terrain, climate and so on and vary by region/subregion. Any effort to address the level and structure of such costs would need to be based on far more detailed subregion-specific studies and analyses, and arrangements for competitive delivery systems would need to be worked out between the concerned transit and landlocked developing countries through consultations.

B. Problems related to physical infrastructure

68. The movement of goods in transit in landlocked developing countries requires appropriate transport infrastructure in their own territories as well as in the territories of their transit neighbours. Difficulties in establishing and/or maintaining efficient transport services in these countries are compounded frequently by topographic and climatic constraints and also often by low volumes of cargo in relation to investment, implying low returns. This presents a strong case for public capital investments in these countries supported by the international community, which is encouraged to consider assisting national efforts in the following often critical areas for transit transport:

(a) Rehabilitation and provisions of new port facilities;

(b) Upgrading of handling facilities and existing airports;

(c) Rehabilitation and upgrading of roads and bridges;

(d) Rehabilitation and upgrading of railway infrastructure;

(e) Completion of the missing links in railroad networks in the countries concerned; and

(f) Improvement of capacity to efficiently and effectively manage these facilities and services, including the establishment and enhancement of transport information systems.

C. Non-physical barriers in lowering transit costs

69. Harmonization, simplification and standardization of transit procedures and documentation play a critical role in improving transit systems. Landlocked and transit developing countries that have made substantial adjustments to their trade and transport management practices in this regard

have been able to achieve a significant reduction in their overall transport costs. This achievement should be built upon by facilitating access by the poor to the new possibilities for economic development that have been created. The resulting increased efficiency has encouraged such countries to pursue even more ambitious reform programmes, namely:

(a) Further simplification, harmonization and standardization of transit procedures and documentation, including the improvement of custom transit systems;

(b) Efficient operation of border posts, including establishment of joint inspection "one stop" border posts;

(c) Consolidation and extension of customs and transport information systems.

70. The implementation of such programmes of transit facilitation could be made more effective through:

(a) Undertaking policy reforms where appropriate;

(b) Legislation to translate them into specific regulations;

(c) Institutional reforms;

(d) Mobilization of financial and human resources in support of their implementation; and

(e) Willingness to implement and manage change on a sustainable basis and commitment thereto.

D. Follow-up actions

71. While the landlocked and transit developing countries themselves are encouraged to take the steps needed to implement programmes such as those enumerated in paragraph 4 above, the international donor community, including financial and development institutions, is invited to consider giving high priority to programmes addressing such constraints and according increased financial and technical support.

72. In order to achieve better coordination on transit transport issues, the Meeting calls upon countries bordering each transit route to consider concluding bilateral or subregional intergovernmental agreements regarding various aspects of transit transport. Universal accession to international conventions relevant to transit trade by landlocked and transit developing countries should be further encouraged. Regional forums and intergovernmental agreements should be used to facilitate and strengthen arrangements for the transit transport of goods of landlocked developing countries.

73. The authorities in landlocked and transit developing countries, in consultation with each other, should identify and take measures designed to reduce transit costs, and in this connection may seek assistance from the international community and the United Nations Conference on Trade and Development (UNCTAD) in undertaking feasibility studies and analyses of specific conditions prevailing in subregional/regional contexts as and when requested by the concerned States. These studies could include, for example, analyses of:

(a) Bottlenecks to be overcome in particular transit corridors and the particular investments and institutional and regulatory changes needed to accomplish this;

(b) Where feasible, changes in transit costs and delays in the recent past and those projected for the next few years;

(c) Where feasible, present costs and times of delay on particular major corridors, which could be contrasted with benchmarks of best practices on routes of comparable distance and terrain in other developing and developed countries.

74. Bilateral, subregional and regional economic cooperation has provided an effective framework for improving transit transport systems. Where appropriate, the secretariats of regional organizations and transit transport corridor administrations have played an important role in monitoring and assisting their member States with respect to implementing agreed policy measures and actions. The international donor community is invited to strengthen the capacities of these secretariats and other regional cooperation arrangements through increased financial and technical support.

75. In bringing together experts from landlocked and transit developing countries in different regions and subregions, as well as representatives from transit and donor parties, this Meeting has contributed critically to an in-depth analysis of the transit transport issues from the national and regional perspective and an exchange of lessons on best practices. It has also underscored the need

for concrete actions by all countries concerned and for greater donor support. The Meeting recommends to the General Assembly at its fifty-fourth session to consider convening, in the year 2001, the fifth Meeting of Governmental Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions. In this context, a proposal was made during the Meeting to convene a ministerial meeting on transit transport issues to give appropriate emphasis to the problems of landlocked and transit developing countries. This proposal should be considered at the next Meeting of Governmental Experts in the year 2001. It was also suggested that appropriate preparatory work, including consultations with landlocked and transit developing countries, would be necessary and would need to achieve meaningful results if such a meeting was to be held.

76. UNCTAD should facilitate the implementation of the above recommendations and the Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing Countries and the Donor Community (see document TD/B/42(1)/11-TD/B/LDC/AC.1/7, annex I). The concerns of landlocked and transit developing countries should be adequately taken into account in the preparations for the tenth session of UNCTAD (UNCTAD X), the Third United Nations Conference on the Least Developed Countries, the high-level intergovernmental event on financing for development and other relevant intergovernmental meetings and conferences.

77. UNCTAD's technical cooperation programmes, including the Automated System for Customs Data (ASYCUDA), the Advance Cargo Information System (ACIS), and Trade Point, which had made important contributions to the improvement of transit transport in landlocked developing countries and their transit neighbours, should continue to accord due priority to this group of countries, particularly to regions that have not yet benefited from such programmes. UNCTAD should also undertake new specific case studies, at the request of concerned States, on issues relating to transport organization in landlocked and transit developing countries and report thereon to the next Meeting. The issues relating to air transport, including air transport corridors and physical barriers, should also be addressed in this context.

78. In line with paragraph 14 of General Assembly resolution 52/183 of 18 December 1997 and paragraph 3 of Assembly resolution 53/171 of 15 December 1998, the Meeting invited the Secretary-General of the United Nations, in consultation with the Secretary-General of UNCTAD, to provide identifiable resources in the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries of UNCTAD so as to allow the Office to implement effectively its mandate to continue to support the landlocked and transit developing countries.

79. In line with General Assembly resolutions 52/183, paragraph 10, and 53/171, paragraph 4, the donor community is invited, in partnership with the countries concerned, to provide landlocked and transit developing countries with appropriate financial and technical assistance in the form of grants and concessional loans for the construction, maintenance and improvement of transport, storage and other transit-related facilities, including alternative routes and improved communications, and to promote subregional, regional and interregional projects and programmes.

80. The Meeting noted with deep appreciation the generous financial contribution made by the Government of Japan to the organization of the current Meeting. This had made possible the participation of national experts from landlocked developing countries and resource persons, which contributed significantly to the quality of the deliberations and the outcome of the Meeting.

CHAPTER III
ORGANIZATIONAL MATTERS

A. Opening of the Meeting

81. The Meeting was opened by the Special Coordinator for the Least Developed, Landlocked and Island Developing Countries on behalf of the Secretary-General of UNCTAD.

B. Election of officers
(Agenda item 1)

82. At its 1st plenary meeting, on 24 August 1999, the Meeting elected as Chairman H.E. Mr. Yukio SATOH (Japan), as Rapporteur H.E. Mr. Alberto SALAMANCA (Bolivia) and H.E. Mr. Alounkèo KITTIKHOUN (Lao People's Democratic Republic) and H.E. Mr. Dumisana Shadrack KUMALO (South Africa) as Vice-Chairmen.

C. Adoption of the agenda and organization of work
(Agenda item 2)

83. At its 1st plenary meeting, the Meeting adopted the provisional agenda contained in document TD/B/LDC/AC.1/12. The agenda was as follows:

1. Election of officers.
2. Adoption of the agenda and organization of work.
3. Review of progress in the development of transit systems in the landlocked and transit developing countries:
   (a) Measures designed to reduce high transit costs;
   (b) Impact of procedures and documentation on transit costs.
4. Proposals for appropriate future action.
5. Other business.
6. Adoption of the report of the Meeting.

D. Adoption of the report of the Meeting
(Agenda item 6)

84. At its closing plenary meeting, on 26 August 1999, the Meeting agreed that the final report, including closing remarks, would be completed under the authority of the Chairman and submitted to the Trade and Development Board at its forty-sixth session.

Annex I

REPORTS OF REGION-SPECIFIC CONSULTATIONS

A. Southern and Eastern African Group

1. Identification of Problems

It was discussed within the Southern and Eastern African Group that an evaluation and analysis of transit costs is necessary in order to design suitable policies and investment plans.

Several obstacles in transport, customs, and trade were mentioned, such as:

(a) Delays of traffic;
(b) Need of bilateral agreements among some countries or lack of effective implementation of existing ones;
(c) Inadequate level of investment in road and railway infrastructure;
(d) Inadequacy in modern communication systems;
(e) Difficulties to repair trucks on transit on the roadside;
(f) Inadequate modern equipment and facilities in the port areas;
(g) Overloading;
(h) Illegal border-crossings;
(I) Inadequate weigh-bridges;
(j) Inadequate, costly and time-consuming air services;
(k) Lack of direct routes between some African countries and the need to rationalize the airline routes;
(l) Harmonization of customs documentation and procedures at both sides of the borders;
(m) Inadequate capacity and inefficient maintenance and use of locomotives and other railroad facilities;
(n) Inefficient management of infrastructure and services provision;
(o) Inadequate security and reliability of delivery (risk of thefts);
(p) Lack of fair competition in and between road and railway transport;
(q) Ineffective implementation of current agreements and difficulties in law enforcement;
(r) Natural disasters, like El Niño and floods;
(s) Inadequate human and financial resources; and

(t) Need for long-term programmes.

2. Recent Development Processes in Southern and Eastern Africa on Transport and Trade Facilitation

Subregional level

Subregional organizations, such as the Common Market for Eastern and Southern Africa (COMESA), Southern African Development Community (SADC), and Eastern African Cooperation, have taken and continue to take various measures to solve the problems of Landlocked Countries:

(a) Agreement on policy guidelines as enshrined in Treaties and Protocols (COMESA Treaty, SADC Protocols and Annexes on Transport, Communications and Methodology and on Trade);
(b) Establishment of committees and subcommittees involving all stakeholders to deliberate and agree upon subregional policies and solutions;
(c) Agreement on a COMESA/SADC new customs document to be introduced as a simplification of the existing plethora of documents;
(d) Agreement to adapt the concept of one-stop border stop in Southern Africa on the basis of the experience of the Maputo Development Corridor;
(e) Several meetings are planned for mobilization of resources for projects and programmes, including infrastructure, policy and regulatory reform and trade transit facilitation.

The forthcoming meetings include:

(a) Investors and donors forum for SADC Transport and Communications to be held in the first half of 2000;
(b) Investors' and donors' forum for Mtwara Development Corridor in mid-November 1999 in the United Republic of Tanzania (currently documents are being prepared through interministerial consultations);
(c) Nacala Development Corridor at the end of October 1999 in Mozambique;
(d) Overload Control on 14 to 16 September 1999 in Nairobi, Kenya
(e) Southern Africa Road Users and Private Sector Associations, 13 September 1999 in Sandton, South Africa; and

(f) Road Infrastructure and Road Transport and traffic subcommittee of Southern African Transport and Communication Committee (SATCC), on 14 to 16 September 1999 in Sandton, South Africa.

Other subregional cooperation is organized around several corridors, to mention some:

(a) Northern Corridor;
(b) Northern Corridor Transit Transport Coordination Authority (TTCA), (Burundi, Democratic Republic of the Congo, Rwanda, Uganda, Kenya);
(c) East African Regional Road Network (Uganda, United Republic of Tanzania, Kenya);
(d) Regional Road Network (Uganda, Democratic Republic of the Congo, Rwanda);
(e) Central Corridor;
(f) Southern Corridor;
(g) Regional Trunk Road Network (RTRN);
(h) Beira;
(I) Maputo;
(j) Nacala (Mozambique, Malawi, Zambia);
(k) Mtwara (United Republic of Tanzania, Malawi, Mozambique, Zambia);
(l) Tazara (Dar es Salaam);
(m) Walvis Bay;
(n) Lobito, Luanda, Namibe; and
(o) South African Corridors, especially Durban, Cape Town, Port Elizabeth, Richards Bay.

Bilateral level

Mozambique, Malawi, Zambia, Zimbabwe and South Africa held a meeting on 17 to 18 of August 1999 in Zimbabwe to discuss cross-border issues.

Among these countries, Zambia, Zimbabwe and SADC are holding consultations on the possibility of having a committee at each border post in Southern Africa. These committees would look after the flexibility of documentation and customs procedures, safety of drivers, prevention of diseases and cooperation in police and drug prevention.

Zimbabwe and Zambia have already considered the possibility of establishing a one-stop border post in Chirundu and are actively working towards this.

In Eastern Africa, last year, Uganda, Kenya, and the United Republic of Tanzania held consultations in respect of transit improvement within the ports and across the borders. In the same year, they signed the Road and Inland Water Transport Agreements to facilitate the flow of traffic by road and marine between those three countries.

Several bilateral road transport agreements have been signed in Southern Africa based on a regional agreed SADC model bilateral agreement.

3. Recommendations

Port facilities

(a) Rehabilitate existing equipment and provide new equipment to meet the growing demand;
(b) Construct inland dry-ports to facilitate transit traffic out of the coastal ports; and
(c) Provide effective and sufficient finance and management of existing facilities, especially by private sector.

Air Transportation

(a) Upgrade handling facilities and airports; and
(b) Effective and sufficient finance and management of existing facilities.

Road Transport

(a) Rehabilitate roads and bridges destroyed by heavy rains;
(b) Reconstruct, repair and upgrade the designated corridor roads;
(c) Establish a road fund to ensure sustained road management;
(d) Have effective axle-road management by procurement of fixed and mobile weigh-bridges;
(e) Extend cargo tracking information systems to road transport to improve the tracking of trucks;
(f) Encourage local truck repair facilities, also for the transit truckers;
(g) Develop equipment lease facilities;
(h) Develop local contracting and consulting capacity.

Railway Transport

(a) Rehabilitate rail infrastructure, such as the permanent way, rolling stock, locomotives, railway equipment, signal and communication and capacity-building;

(b) Ensure effective management of railway facilities through commercialization, restructuring, and in some cases through privatization or concessioning;

(c) Increase competition and other improved management.

Transit Facilitation (Documentation and Procedures)

(a) Evolve practical solutions regarding transit transport problems by ensuring involvement of all stakeholders through seminars, workshops and conferences.

Resources and International Cooperation

(a) Need for financial and technical support from the international community.

Private Sector Initiatives

(a) Assist in financing private-sector initiatives and capacity-building;

(b) Encourage private-sector involvement in infrastructure and services provision; and

(c) Develop capacity for monitoring and regulation.

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B. The Western and Central Africa Group

The consultations, held in Conference Room 8 on Monday, 23 August 1999, were attended by the representatives of Algeria, Benin, Burkina Faso, Mali, Nigeria and Togo.

Members of the secretariat of the United Nations Conference on Trade and Development and representatives of the Organization of African Unity attended the consultations. The group elected Mr. Martial Alain Dehoue, head of the Beninese delegation, as Chairman of the meeting.

Discussions centred mainly on two themes: the action taken by each State in order to develop the transit system, pursuant to the recommendations made at the 3rd meeting of Governmental Experts of Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions, and the difficulties and various problems encountered in the course of implementing those recommendations.

A number of recommendations were formulated. The main points of the meeting were as set forth below:

I. Action taken

Mali: This country is taking steps to diversify access to the sea and to open up regions in the interior to the major commercial centres.

Togo: This country has made plans for a Lomé bypass. It has improved its system of customs escort for merchandise, and is implementing a project for the provision of assistance for roads in mountainous areas (the Aledjo cliffs and PK 500).

Benin: Major work has been carried out in order to upgrade the existing road infrastructure and new roads have been built (in particular, Cotonou - Malanville and Cotonou - Porga). A system of weight-related tolls has been instituted in order to eliminate surcharges and generate income for road maintenance. The number of checkpoints on roads has been reduced. The procedure for contracting out railway services is in hand.

Nigeria: This country has granted hinterland States tariff and storage facilities. Furthermore, it has developed the system of river transport to Niger and is carrying out a railway renovation project.

Burkina Faso: This country is engaged in a process of drawing up regulations relating to traffic and the transportation of persons and goods.

II. Difficulties encountered

(a) In mobilizing finance for road construction and maintenance;

(b) The limited effects of the procedures for privatizing transport structures;

(c) The difficulty of implementing the provisions of the conventions on inter-State road transit because of the low level of qualifications of those involved; and

(d) The impact of the use of new information technologies.

III. Recommendations

(a) To increase finance for the construction of infrastructure;

(b) The need for technical assistance in order to become familiar with the procedures relating to implementation of conventions and to introduce new information technologies, and for conduct professional training;

(c) To hold a regional conference with a view to mobilizing resources for subregional infrastructure development; and

(d) To hold a preparatory session at the subregional level, prior to the next meeting of Governmental experts, in order to promote effective on-the-spot participation of national experts.

C. Asian Group

The regional specific consultative meeting of Asia on transit transport systems took place on 23 August 1999 in two sessions. Participants from Bhutan, China, Finland, India, Islamic Republic of Iran, Japan, Kazakhstan, Kyrgyzstan, Lao People's Democratic Republic, Mongolia, Nepal, Pakistan, Turkey, Uzbekistan, and Viet Nam participated in the above meeting. The representative of International Law Association attended the meeting as an observer. Mr. A. Tahir Dengiz of Turkey was elected as Rapporteur.

An overview of the transit transport situation and systems prevailing in South Asia, South-east Asia, North-east Asia and Central Asia were discussed and the meeting was brought up to date by interventions from delegates.

There was overwhelming consensus that being landlocked is a handicap and affects trade and economic development in landlocked developing countries. Each country's situation and transit transport problems are unique, depending on various economic and geographical factors, including the efficiency of routes, volumes of traffic, pricing, etc. Nevertheless, there are common trends that need to be addressed by landlocked, transit developing countries and the donor community at large. These include:

(a) Landlocked countries must have facilities to deal with the containerization of their external trade. This would be in line with worldwide trends in the movement of cargo. It was noted that in the Asian region almost all the landlocked countries have created such facilities in recent years. Those who have not yet done so have serious plans for such infrastructure and this needs greater international support.

(b) It is important to use the wide availability of inexpensive access to worldwide communications and information technology to alleviate the problems of landlocked developing countries. In particular, EDIFACT should be used to transmit documents pertaining to transit of goods such as bills of lading. The importance of ACIS and ASYCUDA were emphasized in increasing the efficiency of transit trade. Wider introduction of modern information technology would also provide the opportunity to align and standardize documents used by various agencies and administrations in a transit transport corridor. In this context, the landlocked regions in Asia require greater financial and technical assistance to introduce such schemes.

(c) With the infrastructure and EDIFACT information systems in place, most landlocked developing countries would then be enabled to establish dry ports and transit bills of lading for their consignments through EDIFACT.

(d) There are a number of country-specific projects that require the assistance of the donor community, including the establishment of facilities to deal with containerization in landlocked developing countries that do not have these as yet. These projects pertain to infrastructure in landlocked and transit developing countries that aim to enhance existing infrastructure, complete missing links in some corridors, and improve operating efficiencies.

(e) Universal accession to international conventions relevant to transit trade by landlocked and transit developing countries should be further encouraged. Regional forums and intergovernmental agreements should be used to facilitate and strengthen arrangements for the transit transport of goods of landlocked developing countries. Landlocked and transit developing countries are called upon to consider further strengthening legal framework which governs various aspects of transit transport trade.

(f) The private sector should be involved more intensively in transit transport services.

(g) The meeting appreciated the activities of UNCTAD in examining the issues involved in transit transport problems of landlocked countries over the years and bringing these to the attention of the international community. The delegates commended UNCTAD for preparing studies and documents for the present meeting. UNCTAD is requested to continue to carry out studies on transit transport systems in landlocked and transit developing countries. In addition it was felt that the World Trade Organization should be sensitized to the problems of landlocked countries, as it was already involved in the trade and development problems of least developed countries.

(h) The Meeting proposes organizing the next consultative meeting of landlocked and transit developing countries and representatives of donor countries and financial and development institutions, in the year 2001 at the Ministerial level.

D. Report of the Latin American Group

Mr. Chairman,

First allow me, on behalf of the Bolivian delegation, to congratulate you and the other officers elected to guide the present expert meeting. We are sure that, given your skilful and widely recognized abilities and leadership, our deliberations will reach a positive conclusion that will be highly beneficial to the international community, and particularly to the nations deprived of free and sovereign access to the sea.

Unfortunately, the Latin American Group did not meet yesterday because of a delay in the arrival of the experts.

Nevertheless, the delegation of Bolivia has various proposals to make which we hope will be the outcome of subsequent bilateral meetings with the delegates of donor countries and international organizations.

The geographical situation of our country, together with its history, has created enormous difficulties for its foreign trade and international transport and make Bolivia a special case. For these reasons, our projects relate, in particular, to the construction of transit infrastructure between the two oceans bordering South America, the Atlantic and the Pacific. This is what we in Bolivia call the "export corridors", which will afford us access to important regional economic linkage services in implementation of various regional agreements, such as the Andean Community, the Agreement on International Land Transport of the Countries of the Southern Cone and those of the Conference of Ministers of Transport, Communications and Public Works of South America. In the context of the above forums, it has also signed bilateral agreements designed to bring about facilitation, simplification and transparency; over time, these have assisted us in our international activities, but they are not definitive solutions to our problem.

Bolivia has invested in transport infrastructure works that are in various phases, forming part of intermodal links which in the short term, through appropriate investment, could be operational. They are:

Facilitation of transport and trade. In conformity with resolution 31 of the third regular meeting of the Conference of Ministers of Transport, Communications and Public Works of South America (November 1996), the preparation of a Plan of Action has been

commissioned, with the technical assistance of UNCTAD and the Latin American Integration Association;

The Paraguay-Paraná waterway. This constitutes an important alternative outlet to the Atlantic Ocean to cope with the problem of the lack of access to the sea imposed on Bolivia, which restricts the normal development of exports;

The Pailón-San José-Puerto Suaréz highway. This project, which is in the course of implementation with resources from the Inter-American Development Bank and local inputs, forms part of the corridor that will provide a link between the Pacific and Atlantic Oceans through the ports of Arica (Chile) and Santos (Brazil);

The La Paz-Guayaramerín corridor. This corridor is one of the most important alternatives for the international southwest-northwest link. It will permit link-up with the network of roads in the state of Rondonia (Brazil) and the navigable rivers of the Amazon basin;

The Aiquile-Santa Cruz rail link. The construction of the link between the Andean and eastern rail networks will permit modal interconnection of the Pacific and Atlantic Oceans via 3,890 kilometres of railway at an estimated cost of US$ 1,000 million.

We must bear in mind the fact that the majority of the landlocked countries are among the relatively less developed countries in economic terms, that is to say are at an initial stage, with their exports comprising raw materials and basic commodities generally traded at low prices in which the cost of transport adds to the imbalance in their trade. However, we believe that, in addition to our constant concern with transit issue, port facilities and harmonization of tax policies, procedures and documentation relating to transit costs, there is a need, apart from dealing with the issues of transit infrastructure, to focus the efforts of the international community on creating the infrastructure required to contribute added value to exports and to provide incentives for the production of goods that sell at a high price on the world market, so that the transport costs can be more fully covered.

Annex II

ATTENDANCE *

The following representatives attended the Meeting:

Member States

1. Afghanistan; Algeria; Australia; Benin; Bhutan; Bolivia; Botswana; Burkina Faso; Burundi; Cambodia; Cameroon; Central African Republic; China; Côte d'Ivoire; Ethiopia; Finland; Georgia; Guinea; India; Iran (Islamic Republic of); Italy; Japan; Kazakhstan; Kenya; Kyrgyzstan; Lao People's Democratic Republic; Lesotho; Malawi; Mali; Mongolia; Mozambique; Nepal; Netherlands; Nigeria; Norway; Pakistan; Paraguay; Russian Federation; Rwanda; South Africa; Sweden; Thailand; The Former Yugoslav Republic of Macedonia; Togo; Turkey; Uganda; United Kingdom of Great Britain and Northern Ireland; United Republic of Tanzania; United States of America; Uzbekistan; Viet Nam; Zambia; and Zimbabwe.

United Nations

2. Economic Commission for Africa (ECA); Economic Commission for Europe (ECE); United Nations Development Programme (UNDP).

Specialized Agencies

3. The World Bank.

Intergovernmental Organizations (IGOs)

4. Organization of Africa Unity (OAU); and the World Customs Organization.

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* For the list of participants, see TD/B/LDC/AC.1/INF.4.

Non-governmental Organizations (NGOs)

5. International Law Association; International Federation of Freight Forwarders Associations (FIATA); and Programme in Ocean Law, Policy and Management (SEAPOL).

Regional Organizations

6. Southern Africa Transport and Communications Commission (SATCC).

Resource persons

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Mr. José Maria RUBIATO, Economic Commission for Latin America and the Caribbean (ECLAC)
Mr. Jack STONE (United States of America)